



Detailed Transaction Process and Regulatory Reviews





Overview of Transactions

- Step 1: Form Foundation Shareholder
- Step 2: Form WA & AK Charitable Organizations
- Step 3: Transfer of PREMERA Membership Interests
- Step 4: Form New PBC Operating Company
- Step 5: Transfer PBC Assets
- Step 6: PBC Dissolves
- Step 7: Form New PREMERA Holding Company
- Step 8: Transfer PREMERA Assets
- Step 9: PREMERA Dissolves
- Step 10: Reorganization of Other Non-Profit Affiliates
- Step 11: Sales of Stock
- Step 12: Funding WA & AK Health Initiatives



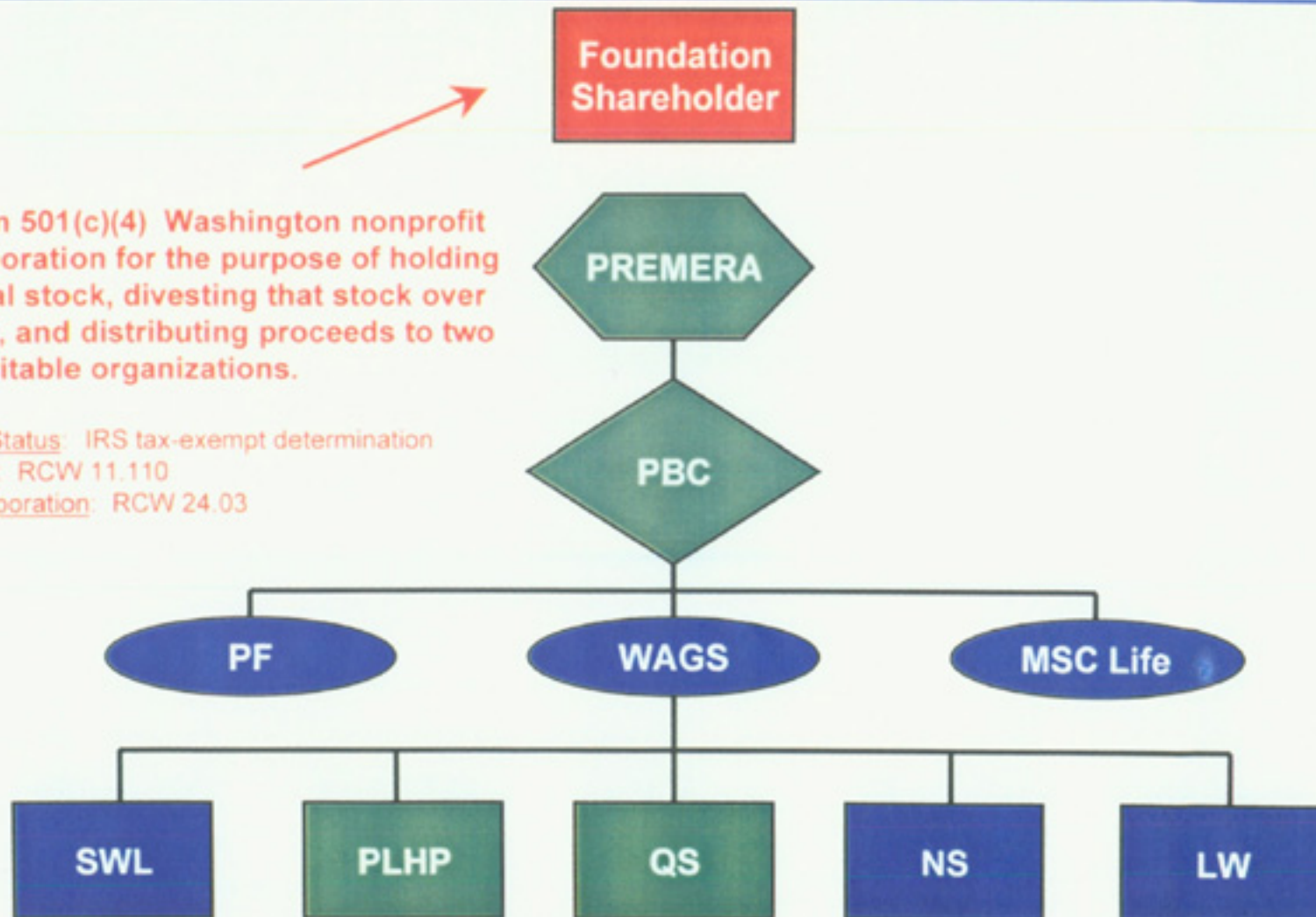
Step 1: Form Foundation Shareholder

Form 501(c)(4) Washington nonprofit corporation for the purpose of holding initial stock, divesting that stock over time, and distributing proceeds to two charitable organizations.

Tax Status: IRS tax-exempt determination

Trust: RCW 11.110

Incorporation: RCW 24.03



Step 2: Form WA & AK Charitable Organizations

WA Charitable Organization

Foundation Shareholder

AK Charitable Organization

PREMERA

PBC

PF

WAGS

MSC Life

SWL

PLHP

QS

NS

LW

Form 501(c)(3) charitable organizations to receive proceeds from sale of stock held by Foundation Shareholder and make grants to fund health initiatives.

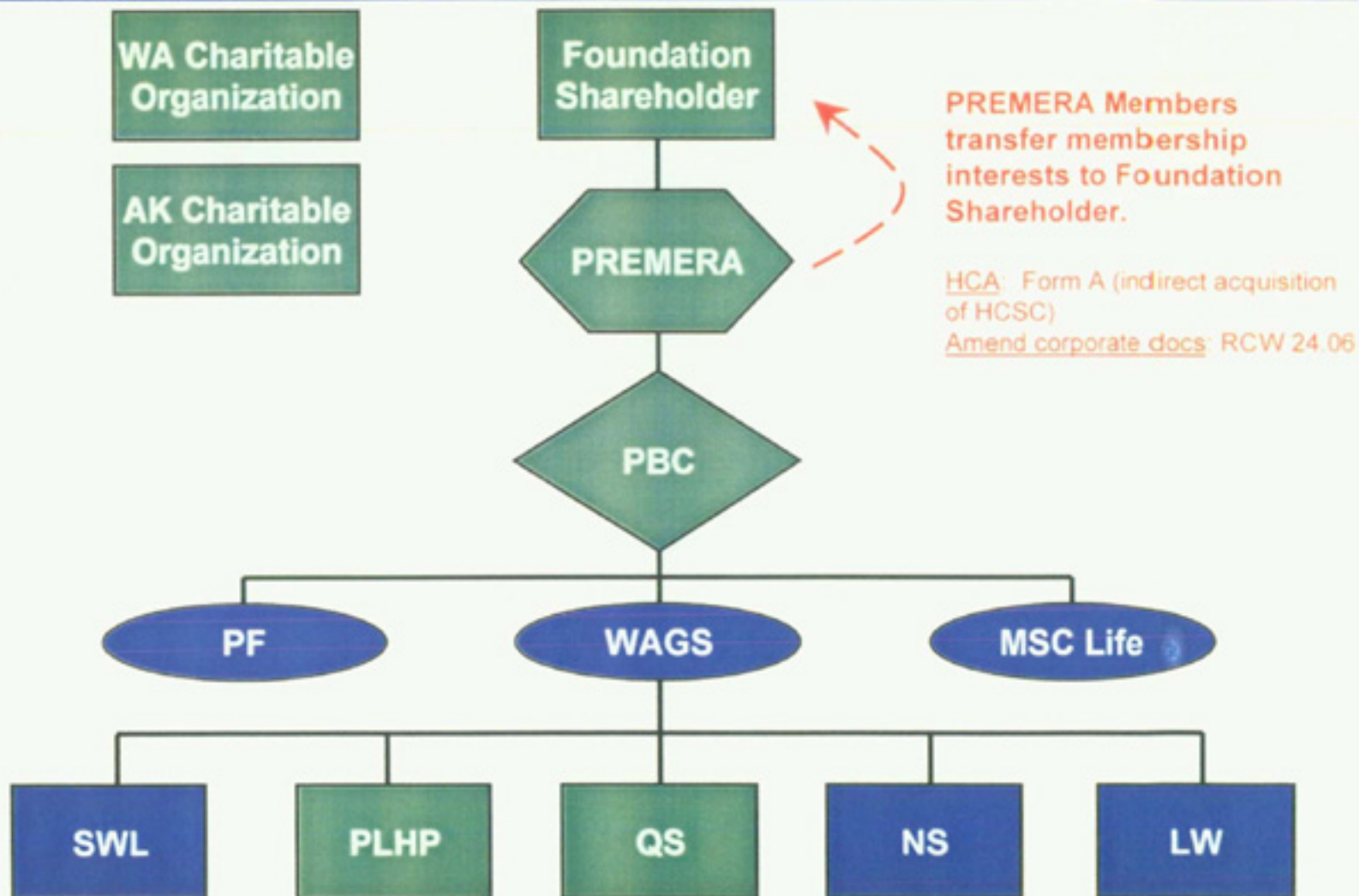
Tax Status: IRS tax-exempt determination

Incorporation: RCW 24.03 & AS 10.20

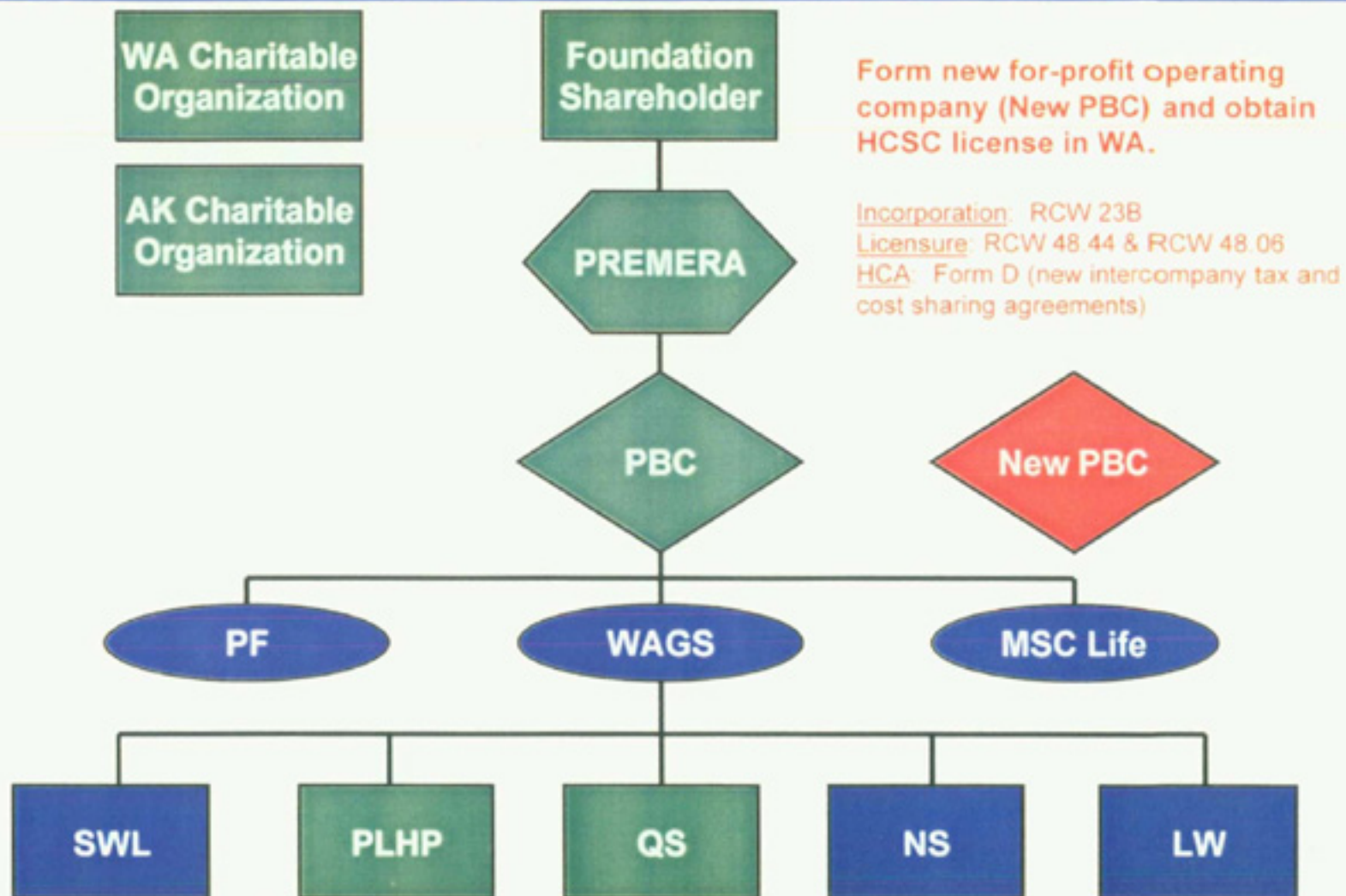
Trusts: RCW 11.110 & AS 13.36



Step 3: Transfer of PREMERA Membership Interests



Step 4: Form New PBC Operating Company



Step 5: Transfer PBC Assets

